

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 668**  
**92ND GENERAL ASSEMBLY**

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Reported from the Committee on Agriculture, May 5, 2003, with recommendation that the House Committee Substitute for Senate Bill No. 668 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

1990L.06C

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**AN ACT**

To repeal sections 143.121, 147.120, 148.330, 348.430, and 348.432, RSMo, and to enact in lieu thereof five new sections relating to agricultural tax credits.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 143.121, 147.120, 148.330, 348.430, and 348.432, RSMo, are  
2 repealed and five new sections enacted in lieu thereof, to be known as sections 143.121, 147.120,  
3 148.330, 348.430, and 348.432, to read as follows:

143.121. 1. The Missouri adjusted gross income of a resident individual shall be [his]  
2 **the taxpayer's** federal adjusted gross income subject to the modifications in this section.

3 2. There shall be added to [his] **the taxpayer's** federal adjusted gross income:

4 (a) The amount of any federal income tax refund received for a prior year which resulted  
5 in a Missouri income tax benefit;

6 (b) Interest on certain governmental obligations excluded from federal gross income by  
7 Section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on  
8 obligations of the state of Missouri or any of its political subdivisions or authorities and shall not  
9 apply to the interest described in subdivision (a) of subsection 3 of this section. The amount  
10 added [under] **pursuant to** this paragraph shall be reduced by the amounts applicable to such  
11 interest that would have been deductible in computing the taxable income of the taxpayer except  
12 only for the application of Section 265 of the Internal Revenue Code. The reduction shall only  
13 be made if it is at least five hundred dollars;

14 (c) The amount of any deduction that is included in the computation of federal taxable

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.**

15 income [under] **pursuant to** Section 168 of the Internal Revenue Code as amended by the Job  
16 Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to  
17 property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount  
18 deducted exceeds the amount that would have been deductible [under] **pursuant to** Section 168  
19 of the Internal Revenue Code of 1986 as in effect on January 1, 2002; and

20 (d) The amount of any deduction that is included in the computation of federal taxable  
21 income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986, as  
22 amended, [except for any deduction] **other than the deduction allowed by Section**  
23 **172(b)(1)(G) and Section 172(i) of the Internal Revenue Code of 1986, as amended, for a**  
24 net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or  
25 carries forward for a period [not to exceed] **of more than** twenty years and carries backward for  
26 [not] more than two years. **Any amount of net operating loss taken against federal income**  
27 **taxes but disallowed against Missouri income taxes pursuant to this paragraph since July**  
28 **1, 2002, may be carried forward and taken against any loss on the Missouri income tax**  
29 **return for a period of not more than twenty years from the year of the initial loss.**

30 3. There shall be subtracted from [his] **the taxpayer's** federal adjusted gross income the  
31 following amounts to the extent included in federal adjusted gross income:

32 (a) Interest or dividends on obligations of the United States and its territories and  
33 possessions or of any authority, commission or instrumentality of the United States to the extent  
34 exempt from Missouri income taxes [under] **pursuant to** the laws of the United States. The  
35 amount subtracted [under] **pursuant to** this paragraph shall be reduced by any interest on  
36 indebtedness incurred to carry the described obligations or securities and by any expenses  
37 incurred in the production of interest or dividend income described in this paragraph. The  
38 reduction in the previous sentence shall only apply to the extent that such expenses including  
39 amortizable bond premiums are deducted in determining [his] **the taxpayer's** federal adjusted  
40 gross income or included in [his] **the taxpayer's** Missouri itemized deduction. The reduction  
41 shall only be made if the expenses total at least five hundred dollars;

42 (b) The portion of any gain, from the sale or other disposition of property having a higher  
43 adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax  
44 purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is  
45 considered a long-term capital gain for federal income tax purposes, the modification shall be  
46 limited to one-half of such portion of the gain;

47 (c) The amount necessary to prevent the taxation [under sections 143.011 to 143.996]  
48 **pursuant to this chapter** of any annuity or other amount of income or gain which was properly  
49 included in income or gain and was taxed [under] **pursuant to** the laws of Missouri for a taxable  
50 year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the

51 taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the  
52 taxpayer received the income or gain;

53 (d) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the  
54 extent that the same are included in federal adjusted gross income;

55 (e) The amount of any state income tax refund for a prior year which was included in the  
56 federal adjusted gross income;

57 (f) The portion of capital gain specified in [subsection 3 of section 144.747] **section**  
58 **135.357**, RSMo, that would otherwise be included in federal adjusted gross income; and

59 (g) The amount that would have been deducted in the computation of federal taxable  
60 income [under] **pursuant to** Section 168 of the Internal Revenue Code as in effect on January  
61 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but  
62 before July 1, 2003, and to the extent that amount exceeds the amount actually deducted [under]  
63 **pursuant to** Section 168 of the Internal Revenue Code as amended by the Job Creation and  
64 Worker Assistance Act of 2002.

65 4. There shall be added to or subtracted from [his] **the taxpayer's** federal adjusted gross  
66 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

67 5. There shall be added to or subtracted from [his] **the taxpayer's** federal adjusted gross  
68 income the modifications provided in section 143.411.

147.120. 1. If any corporation fails or refuses to pay the taxes (including interest and  
2 penalties) assessed against it after such assessment becomes final, the director of revenue shall  
3 certify a list of the corporations so delinquent to the attorney general who shall proceed forthwith  
4 to collect the taxes. Suits for the collection of the taxes may be brought in the name of the state  
5 in any court of competent jurisdiction and any judgment rendered in such court in favor of the  
6 state shall be a first lien on all properties and assets of the corporation within this state.

7 2. The director of revenue shall notify the secretary of state of any corporation that fails  
8 or refuses to pay the taxes, including interest and penalties, assessed against it after such  
9 assessment becomes final and the secretary of state shall then administratively dissolve any  
10 domestic corporation that is delinquent pursuant to section 351.486, RSMo, and shall revoke the  
11 certificate of authority of any foreign corporation that is delinquent pursuant to section 351.602,  
12 RSMo.

13 3. Any tax provided for pursuant to sections 147.010 to 147.120 not paid on or before  
14 the last day prescribed for payment pursuant to sections 147.010 to 147.120 (determined with  
15 regard to any extension of time for payment) shall be collected with a penalty of five percent per  
16 month or fractional part thereof until paid, not exceeding twenty-five percent in the aggregate.  
17 Interest at the rate determined by section 32.065, RSMo, shall be added to any tax not paid on  
18 or before the date due pursuant to sections 147.010 to 147.120 (determined without regard to any

19 extension of time for payment). Nothing in sections 147.010 to 147.120 shall be construed so  
20 as to permit any officer of this state to remit or abate such interest.

21 4. If any corporation fails to pay any tax due within the time prescribed pursuant to  
22 sections 147.010 to 147.120 or if any corporation makes errors and omissions in reports or  
23 payments, and the director of revenue determines that such action is the result of mistake or is  
24 due to circumstances beyond reasonable control and that such delinquency or inaccuracy was  
25 unavoidable or devoid of any intent to evade the tax, the director of revenue may, at the director's  
26 discretion, waive any penalty that would otherwise be imposed.

27 5. The director of revenue shall set the interest rate as determined in section 32.065,  
28 RSMo. Such interest rate shall be paid on all overpayments for the ensuing calendar year. The  
29 interest shall accrue from the due date or the date of overpayment, whichever is later. No interest  
30 shall be allowed or paid if overpayment is refunded within four months after the franchise tax  
31 report is filed.

32 6. Any notice of assessment of franchise tax due shall be mailed to the corporation  
33 within three years after the report was filed. The provisions of this subsection shall apply to all  
34 reports filed after December 31, 1981.

35 7. If no report is filed or if a false and fraudulent report is filed, a notice of assessment  
36 of franchise tax due may be mailed to the corporation at any time.

37 8. If fraud or evasion on the part of a corporation or anyone on behalf of a corporation  
38 is discovered, the director of revenue shall determine the amount of which the state has been  
39 defrauded, shall add to the amount so determined a penalty equal to fifty percent thereof, and  
40 shall assess the same against the corporation. The amount so assessed shall be immediately due  
41 and payable; except that, the director of revenue shall promptly thereafter give to such  
42 corporation written notice of such assessment and penalty, which notice shall be served by  
43 registered mail. Such corporation shall have the right to petition for hearing of such assessment,  
44 as is provided in sections 147.010 to 147.120.

45 9. Any person who willfully makes a false corporation franchise tax report, or who  
46 willfully makes a false statement in any report under oath or otherwise filed with or transmitted  
47 to the director of revenue relating to the amount of any franchise tax due pursuant to sections  
48 147.010 to 147.120 shall, in addition to other penalties provided by law and upon conviction  
49 thereof, be fined not more than ten thousand dollars, or be imprisoned in the county jail for not  
50 more than one year or by not less than two nor more than five years in the state penitentiary or  
51 by both fine and imprisonment together with the cost of prosecution.

52 10. The director of revenue shall administer and enforce the tax imposed by sections  
53 147.010 to 147.120, and the director is authorized to make such rules and regulations and to  
54 require such facts and information to be reported as the director may deem necessary to enforce

55 the provisions of sections 147.010 to 147.120.

56 11. No rule or portion of a rule promulgated pursuant to the authority of sections 147.010  
57 to 147.120 shall become effective unless it has been promulgated pursuant to the provisions of  
58 chapter 536, RSMo.

59 12. Except as otherwise specifically provided in sections 147.010 to 147.120 the  
60 franchise tax shall be administered as prescribed in the following provisions of chapter 143,  
61 RSMo: subsections 1 and 4 of section 143.551, RSMo, sections 143.561, 143.571, 143.621,  
62 143.631, 143.641, 143.651, 143.661, 143.681, 143.691, 143.721 and 143.731, RSMo, subsection  
63 1 of section 143.741, RSMo, subsections 1, 2 and 5 of section 143.751, RSMo, sections 143.771  
64 and 143.791, RSMo, **subsections 1 and 2 of section 143.801, RSMo**, subsections 1, 2 and 4 of  
65 section 143.811, RSMo, sections 143.831, 143.841 and 143.851, RSMo, subsections 2 and 3 of  
66 section 143.861, RSMo, and sections 143.901, 143.902, 143.971 and 143.986, RSMo.

148.330. 1. Every such company shall, on or before the first day of March in each year,  
2 make a return, verified by the affidavit of its president and secretary, or other authorized officers,  
3 to the director of the department of insurance stating the amount of all premiums received on  
4 account of policies issued in this state by the company, whether in cash or in notes, during the  
5 year ending on the thirty-first day of December, next preceding. Upon receipt of such returns  
6 the director of the department of insurance shall verify the same and certify the amount of tax  
7 due from the various companies on the basis and at the rates provided in section 148.320, and  
8 shall certify the same to the director of revenue together with the amount of the quarterly  
9 installments to be made as provided in subsection 2 of this section, on or before the thirtieth day  
10 of April of each year.

11 2. Beginning January 1, 1983, the amount of the tax due for that calendar year and each  
12 succeeding calendar year thereafter shall be paid in four approximately equal estimated quarterly  
13 installments, and a fifth reconciling installment. The first four installments shall be based upon  
14 the tax for the immediately preceding taxable year ending on the thirty-first day of December,  
15 next preceding. The quarterly installments shall be made on the first day of March, the first day  
16 of June, the first day of September and the first day of December. Immediately after receiving  
17 certification from the director of the department of insurance of the amount of tax due from the  
18 various companies the director of revenue shall notify and assess each company the amount of  
19 taxes on its premiums for the calendar year ending on the thirty-first day of December, next  
20 preceding. The director of revenue shall also notify and assess each company the amount of the  
21 estimated quarterly installments to be made for the calendar year. If the amount of the actual tax  
22 due for any year exceeds the total of the installments made for such year, the balance of the tax  
23 due shall be paid on the first day of June of the year following, together with the regular quarterly  
24 payment due at that time. If the total amount of the tax actually due is less than the total amount

25 of the installments actually paid, the amount by which the amount paid exceeds the amount due  
26 shall be credited against the tax for the following year and deducted from the quarterly  
27 installment otherwise due on the first day of June. If the March first quarterly installment made  
28 by a company is less than the amount assessed by the director of revenue, the difference will be  
29 due on June first, but no interest will accrue to the state on the difference unless the amount paid  
30 by the company is less than eighty percent of one-fourth of the total amount of tax assessed by  
31 the director of revenue for the immediately preceding taxable year. The state treasurer, upon  
32 receiving the moneys paid as a tax upon such premiums to the director of revenue, shall place  
33 the moneys to the credit of a fund to be known as "The County Stock Insurance Fund", which  
34 is hereby created and established.

35 3. If the estimated quarterly tax installments are not so paid, the director of revenue shall  
36 certify such fact to the director of the division of insurance who shall thereafter suspend such  
37 delinquent company or companies from the further transaction of business in this state until such  
38 taxes shall be paid and such companies shall be subject to the provisions of sections 148.410 to  
39 148.461.

40 4. On or before the first day of September of each year the commissioner of  
41 administration shall apportion all moneys in the county stock insurance fund to the general  
42 revenue fund of the state, to the county treasurer and to the treasurer of the school district in  
43 which the principal office of the company paying the same is located. All premium tax credits  
44 described in sections 135.500 to 135.529, RSMo, **and sections 348.430 and 348.432, RSMo,**  
45 shall only reduce the amounts apportioned to the general revenue fund of the state and shall not  
46 reduce any moneys apportioned to the treasurer of the school district in which the principal office  
47 of the company paying the same is located. Apportionments shall be made in the same ratio  
48 which the rates of levy for the same year for state purposes, for county purposes, and for all  
49 school district purposes, bear to each other; provided that any proceeds from such tax for prior  
50 years remaining on hand in the hands of the county collector or county treasurer undistributed  
51 [on the effective date of sections 148.310 to 148.460] and any proceeds of such tax for prior  
52 years collected thereafter shall be distributed and paid in accordance with the provisions of such  
53 sections. Whenever the word "county" occurs herein it shall be construed to include the city of  
54 St. Louis.

348.430. 1. The tax credit created in this section shall be known as the "Agricultural  
2 Product Utilization Contributor Tax Credit".

3 2. As used in this section, the following terms mean:

4 (1) "Authority", the agriculture and small business development authority as provided  
5 in this chapter;

6 (2) "Contributor", an individual, partnership, corporation, trust, limited liability

7 company, entity or person that contributes cash funds to the authority;

8 (3) "Development facility", a facility producing either a good derived from an  
9 agricultural commodity or using a process to produce a good derived from an agricultural  
10 product;

11 (4) "Eligible new generation cooperative", a nonprofit cooperative association formed  
12 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose  
13 of operating a development facility or a renewable fuel production facility;

14 (5) "Eligible new generation processing entity", a partnership, corporation, cooperative,  
15 or limited liability company organized or incorporated pursuant to the laws of this state  
16 consisting of not less than twelve members, approved by the authority, for the purpose of owning  
17 or operating within this state a development facility or a renewable fuel production facility in  
18 which producer members:

19 (a) Hold a majority of the governance or voting rights of the entity and any governing  
20 committee;

21 (b) Control the hiring and firing of management; and

22 (c) Deliver agricultural commodities or products to the entity for processing, unless  
23 processing is required by multiple entities;

24 (6) "Renewable fuel production facility", a facility producing an energy source which is  
25 derived from a renewable, domestically grown, organic compound capable of powering  
26 machinery, including an engine or power plant, and any by-product derived from such energy  
27 source.

28 3. For **all tax [year] years beginning on or after January 1, 1999**, a contributor who  
29 contributes funds to the authority may receive a credit against the tax **or estimated quarterly**  
30 **tax** otherwise due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections  
31 143.191 to 143.265, RSMo, chapter 148, RSMo, chapter 147, RSMo, in an amount of up to one  
32 hundred percent of such contribution. **Tax credits claimed in a taxable year may be done so**  
33 **on a quarterly basis and applied to the estimated quarterly tax pursuant to this subsection.**  
34 The awarding of such credit shall be at the approval of the authority, based on the least amount  
35 of credits necessary to provide incentive for the contributions. A contributor that receives tax  
36 credits for a contribution to the authority shall receive no other consideration or compensation  
37 for such contribution, other than a federal tax deduction, if applicable, and goodwill. A  
38 contributor that receives tax credits for a contribution provided in this section may not be a  
39 member, owner, investor or lender of an eligible new generation cooperative or eligible new  
40 generation processing entity that receives financial assistance from the authority either at the time  
41 the contribution is made or for a period of two years thereafter.

42 4. A contributor shall submit to the authority an application for the tax credit authorized

43 by this section on a form provided by the authority. If the contributor meets all criteria  
44 prescribed by this section and the authority, the authority shall issue a tax credit certificate in the  
45 appropriate amount. Tax credits issued pursuant to this section [shall initially] **may** be claimed  
46 in the taxable year in which the contributor contributes funds to the authority. [Any amount of  
47 credit that exceeds the tax due for a contributor's taxable year] **Tax credits allowed pursuant**  
48 **to this section may immediately be carried back to any of the contributor's five prior tax**  
49 **years and** may be carried forward to any of the contributor's five subsequent taxable years. Tax  
50 credits issued pursuant to this section may be assigned, transferred or sold. Whenever a  
51 certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized  
52 endorsement shall be filed with the authority specifying the name and address of the new owner  
53 of the tax credit or the value of the credit.

54 5. The funds derived from contributions in this section shall be used for financial  
55 assistance or technical assistance for the purposes provided in section 348.407, to rural  
56 agricultural business concepts as approved by the authority. The authority may provide or  
57 facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts,  
58 but limited to two million dollars per project or the net state economic impact, whichever is less.  
59 Loans, equity investments or guaranteed loans may only be provided to feasible projects, and for  
60 an amount that is the least amount necessary to cause the project to occur, as determined by the  
61 authority. The authority may structure the loans, equity investments or guaranteed loans in a way  
62 that facilitates the project, but also provides for a compensatory return on investment or loan  
63 payment to the authority, based on the risk of the project.

64 6. In any given year, at least ten percent of the funds granted to rural agricultural business  
65 concepts shall be awarded to grant requests of twenty-five thousand dollars or less. No single  
66 rural agricultural business concept shall receive more than two hundred thousand dollars in grant  
67 awards from the authority. Agricultural businesses owned by minority members or women shall  
68 be given consideration in the allocation of funds.

348.432. 1. The tax credit created in this section shall be known as the "New Generation  
2 Cooperative Incentive Tax Credit".

3 2. As used in this section, the following terms mean:

4 (1) "Authority", the agriculture and small business development authority as provided  
5 in this chapter;

6 (2) "Development facility", a facility producing either a good derived from an  
7 agricultural commodity or using a process to produce a good derived from an agricultural  
8 product;

9 (3) "Eligible new generation cooperative", a nonprofit cooperative association formed  
10 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose



11 of operating a development facility or a renewable fuel production facility and approved by the  
12 authority;

13 (4) "Eligible new generation processing entity", a partnership, corporation, cooperative,  
14 or limited liability company organized or incorporated pursuant to the laws of this state  
15 consisting of not less than twelve members, approved by the authority, for the purpose of owning  
16 or operating within this state a development facility or a renewable fuel production facility in  
17 which producer members:

18 (a) Hold a majority of the governance or voting rights of the entity and any governing  
19 committee;

20 (b) Control the hiring and firing of management; and

21 (c) Deliver agricultural commodities or products to the entity for processing, unless  
22 processing is required by multiple entities;

23 (5) "Employee-qualified capital project", an eligible new generation cooperative with  
24 capital costs greater than fifteen million dollars which will employ at least [one hundred] **sixty**  
25 employees;

26 (6) "Large capital project", an eligible new generation cooperative with capital costs  
27 greater than one million dollars;

28 (7) "Producer member", a person, partnership, corporation, trust or limited liability  
29 company whose main purpose is agricultural production that invests cash funds to an eligible  
30 new generation cooperative or eligible new generation processing entity;

31 (8) "Renewable fuel production facility", a facility producing an energy source which is  
32 derived from a renewable, domestically grown, organic compound capable of powering  
33 machinery, including an engine or power plant, and any by-product derived from such energy  
34 source;

35 (9) "Small capital project", an eligible new generation cooperative with capital costs of  
36 no more than one million dollars.

37 3. Beginning tax year 1999, and ending December 31, 2002, any producer member who  
38 invests cash funds in an eligible new generation cooperative or eligible new generation  
39 processing entity may receive a credit against the tax **or estimated quarterly tax** otherwise due  
40 pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to  
41 143.265, RSMo, or chapter 148, RSMo, chapter 147, RSMo, in an amount equal to the lesser of  
42 fifty percent of such producer member's investment or fifteen thousand dollars.

43 4. For all tax years beginning on or after January 1, 2003, any producer member who  
44 invests cash funds in an eligible new generation cooperative **or eligible new generation**  
45 **processing entity** may receive a credit against the tax **or estimated quarterly tax** otherwise due  
46 pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to

47 143.265, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in an amount equal to the lesser of  
48 fifty percent of such producer member's investment or fifteen thousand dollars. **Tax credits**  
49 **claimed in a taxable year may be done so on a quarterly basis and applied to the estimated**  
50 **quarterly tax pursuant to subsection 3 of this section.**

51 5. A producer member shall submit to the authority an application for the tax credit  
52 authorized by this section on a form provided by the authority. If the producer member meets  
53 all criteria prescribed by this section and is approved by the authority, the authority shall issue  
54 a tax credit certificate in the appropriate amount. Tax credits issued pursuant to this section  
55 [shall initially be claimed in the taxable year in which the producer member contributes capital  
56 to an eligible new generation cooperative or eligible new generation processing entity. Any  
57 amount of credit that exceeds the tax due for a producer member's taxable year] may be carried  
58 back to any of the producer member's three prior taxable years and carried forward to any of the  
59 producer member's five subsequent taxable years **regardless of the type of tax liability to**  
60 **which such credits are applied as authorized pursuant to subsection 3 of this section.** Tax  
61 credits issued pursuant to this section may be assigned, transferred, sold or otherwise conveyed  
62 and the new owner of the tax credit shall have the same rights in the credit as the producer  
63 member. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise  
64 conveyed, a notarized endorsement shall be filed with the authority specifying the name and  
65 address of the new owner of the tax credit or the value of the credit. **Any entity acquiring a tax**  
66 **credit issued pursuant to this section and applying such credit to its estimated quarterly**  
67 **taxes pursuant to chapter 148, RSMo, shall not acquire the credit at less than one hundred**  
68 **percent of the amount of the credit issued.**

69 6. Ten percent of the tax credits authorized pursuant to this section initially shall be  
70 offered in any fiscal year to small capital projects. If any portion of the ten percent of tax credits  
71 offered to small capital costs projects is unused in any calendar year, then the unused portion of  
72 tax credits may be offered to employee-qualified capital projects and large capital projects. If  
73 the authority receives more applications for tax credits for small capital projects than tax credits  
74 are authorized therefor, then the authority, by rule, shall determine the method of distribution of  
75 tax credits authorized for small capital projects.

76 7. Ninety percent of the tax credits authorized pursuant to this section initially shall be  
77 offered in any fiscal year to employee-qualified capital projects and large capital projects. If any  
78 portion of the ninety percent of tax credits offered to employee-qualified capital projects and  
79 large capital costs projects is unused in any fiscal year, then the unused portion of tax credits may  
80 be offered to small capital projects. The maximum tax credit allowed per employee-qualified  
81 capital project is three million dollars and the maximum tax credit allowed per large capital  
82 project is one million five hundred thousand dollars. If the authority approves the maximum tax

83 credit allowed for any employee-qualified capital project or any large capital project, then the  
84 authority, by rule, shall determine the method of distribution of such maximum tax credit. In  
85 addition, if the authority receives more tax credit applications for employee-qualified capital  
86 projects and large capital projects than the amount of tax credits authorized therefor, then the  
87 authority, by rule, shall determine the method of distribution of tax credits authorized for  
88 employee-qualified capital projects and large capital projects.